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BIWEEKLY REPORT

**AID AND TRADE ACTIVITIES
OF COMMUNIST COUNTRIES
IN LESS DEVELOPED AREAS
OF THE FREE WORLD**

EIC WGR 1/215

4 May 1964

PREPARED BY THE WORKING GROUP
ON COMMUNIST AID AND TRADE ACTIVITIES
IN LESS DEVELOPED AREAS OF THE FREE WORLD

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events
17-30 April 1964

Since September 1955, 13 less developed countries of the Free World have received military assistance from Communist countries totaling more than \$3 billion, about four-fifths of it from the USSR. Within the framework of military assistance agreements the recipient countries have purchased a wide range of land armaments and air force and naval equipment, including jet aircraft and surface-to-air missiles. The rapid influx into the less developed countries of this modern and often complex military equipment, typical of military establishments in more highly industrialized countries, has demanded military skills that are largely nonexistent in the recipient countries. Consequently, the dispatch of large numbers of military technicians to recipient countries and the acceptance of their military personnel for training at military installations in the Communist countries have proved to be a significant element of the military assistance program provided by the Communists.

A visit to Moscow in April of a delegation led by the Kenyan Minister of Home Affairs, Oginga Odinga, highlighted the list of increasing contacts between Kenya and the Communist countries. Also, Kenya recently has been visited by a Soviet trade delegation, has signed a trade agreement with Poland, and has imported coal from North Vietnam.

Recent reports indicate that work is underway at the site of the Kunlong Bridge project in Burma, the first construction project initiated under the longstanding Chinese Communist \$84 million credit to Burma. Although the Chinese plans call for completion of the bridge within 18 months, possible technical difficulties and insurgency problems in Burma might easily hold up construction.

Reflecting heightened Sino-Soviet competition in the mountain kingdom, the USSR and Nepal have signed a protocol providing for additional Soviet aid, and the Chinese Communists reportedly intend to obligate about \$20 million of previously extended but unused aid funds to new projects. The new aid extended by the USSR will be used for the construction of an agricultural tool and implements factory in Birganj. In addition to completing the Katmandu-Tibet Highway, the Chinese are planning to construct the Biratnagar-Janakpur section of the East-West Highway, as well as a brick and tile factory in Katmandu and two warehouses.

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~~SECRET~~CONTENTS

	<u>Page</u>
I. General	1
Communist Military Technical Assistance to Less Developed Countries of the Free World: Cost and Composition	1
A. Scope of Communist Technical Assistance	1
1. Military Training in the Communist Countries	2
2. Communist Military Technicians	2
B. Cost of Communist Technical Assistance	4
1. Military Training in the Communist Countries	6
2. Communist Military Technicians	6
C. Technical Assistance for the Armed Forces	7
1. Air Forces	7
2. Ground Forces	8
3. Naval Forces	8
4. Surface-to-Air Missile Programs	9
D. Problems and Prospects	9
II. Africa	11
Increasing Kenyan Contacts with Communist Countries	11
III. Asia	11
A. Work at Chinese Communist Bridge Site in Burma	11
B. Increased Communist Economic Activity in Nepal	12
C. Pakistan Civil Air Routes to Communist Countries	13

~~SECRET~~

SECRET

	<u>Page</u>
IV. Middle East	14
Premier Khrushchev's Planned Itinerary to the United Arab Republic	14
V. Brief Notes	14
Ghana	14
Republic of the Congo (Leopoldville)	14
Sudan	15

Tables

1. Military Personnel from Less Developed Countries Trained in Communist Countries, Cumulative Total, November 1955 - December 1963	3
2. Military Technicians from Communist Countries in Less Developed Countries, Cumulative Total, November 1955 - December 1963	4
3. Cost of Communist Military Technical Assistance to Less Developed Countries, Cumulative Total, November 1955 - December 1963	5

Map

Nepal <u>following page</u>	14
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Next 16 Page(s) In Document Exempt

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